

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 17 - SB 28

February 2, 2015

SUMMARY OF BILL: Authorizes the City of Columbia to levy a hotel occupancy tax, not to exceed five percent of the consideration charged by the operator, subject to the adoption of an ordinance by a two-thirds vote of the municipal legislative body.

ESTIMATED FISCAL IMPACT:

Increase Local Revenue – \$403,400/Permissive

Assumptions:

- The Department of Health reports there are 11 hotels in Maury County, with a total of 652 rooms. Nine of those hotels, with 578 rooms, are located within the city limits of Columbia.
- Maury County currently imposes a five percent hotel occupancy tax.
- Maury County's FY14-15 Operating Budget shows that hotel occupancy tax collections were \$472,894 in FY12-13 (audited actual collections), and \$458,563 in FY13-14 (unaudited actual collections), with the approved budget of \$455,000 for FY14-15.
- The City of Columbia elects to impose a five percent tax upon passage of this bill.
- The permissive recurring increase in local government revenue is estimated to be \$403,359 [$\$455,000 \times (578 / 652)$].

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, reading "Jeffrey L. Spalding".

Jeffrey L. Spalding, Executive Director

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